

TAM NOTE 95-03

TRANSPORTATION ACQUISITION MANUAL NOTICE

DATE ISSUED: August 1, 1995

Transportation Acquisition Manual (TAM NOTE) 95-03 SUMMARY OF ITEMS

**THE DEPARTMENT OF TRANSPORTATION (DOT)
PROCUREMENT REINVENTION LABORATORY IS HERE!!!!**

OPEN FOR USE BY ALL DOT CONTRACTING OFFICERS!!!!

This TAM NOTE 95-03 disseminates the DOT Procurement Reinvention Laboratory Partnering Agreement. To improve our procurement process, DOT has been designated as a procurement reinvention laboratory. The focus of the laboratory will initially be on streamlining the procurement procedures of the TAM by using waiver authority, then expanded to other areas. The laboratory provides contracting officers an opportunity to demonstrate their streamlining ideas by employing new, risk taking approaches to procuring supplies and services.

Sharing of innovative ideas is a critical aspect of the laboratory. Therefore, a clearinghouse will be established to disseminate innovative ideas including those originating in the reinvention laboratory. Various methods of disseminating information are being considered including newsletters, an electronic bulletin board and the Internet. The method(s) chosen will be dependent upon the type and quantity of ideas tested.

Contracting officers are encouraged to use the laboratory since its results will determine what procurement procedures need to be changed to foster innovation, risk taking, and empowerment of the contracting officer. The Partnering Agreement contains a Declaration that indicates senior departmental manager's (i.e., Secretary's Management Council and the Procurement Management

Council) support for the laboratory and the risks that need to be taken to streamline the procurement process. DOT senior management encourages each contracting officer to focus on examining the procurement process and become innovators of change by asking, "Is there a better way?" If the answer is "yes," challenge the idea by testing it and sharing the results for Departmentwide improvement. The opportunity is here to make a difference. All that needs to be done is to step forward and take the challenge.

The attached Partnering Agreement is effective August 1, 1995. For easy access, insert the Agreement directly behind the TAM "FOREWORD." It will not follow the format, arrangement and numbering system or coordination requirements of the TAM. It is inserted in the TAM for administrative convenience only.

TAM NOTE 95-03 FILING INSTRUCTIONS

Remove Pages

Insert Pages

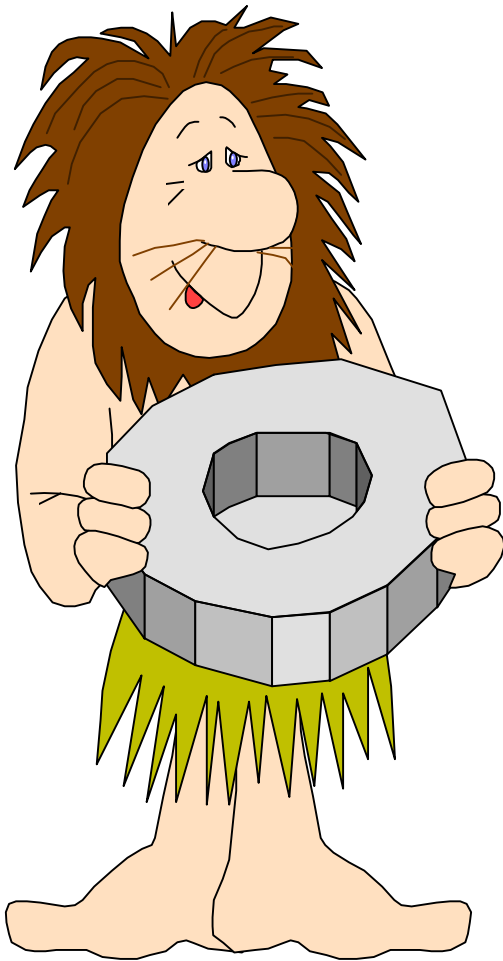
DOT Procurement Reinvention	Labor atory Partn ering Agree ment
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(Insert directly after TAM "FOREWORD")

David J. Litman
Acting Senior Procurement Executive

DEPARTMENT OF TRANSPORTATION

PROCUREMENT REINVENTION LABORATORY



PARTNERING AGREEMENT



*“Working together
to make a
difference”*

August 1995

DEPARTMENT OF TRANSPORTATION (DOT)
PROCUREMENT REINVENTION LABORATORY PARTNERING AGREEMENT

1. **PURPOSE.** The purpose of this Partnering Agreement is to provide a Departmentwide agreement for the continuous improvement of the acquisition system through the reinvention laboratory concept.

2. **REINVENTION LABORATORY GOALS.** The ultimate goals of the reinvention laboratory are:

- to improve DOT's acquisition system so that the process will work better, cost less, and enable the timely receipt of satisfactory goods and services. This goal will be achieved by empowering DOT employees, sharing their ideas, and allowing them to be innovative risk takers for the sole purpose of improving the acquisition system; and
- to share its findings with other Governmental offices to foster Federalwide acquisition process improvements.

3. **REINVENTION LABORATORY.** The reinvention laboratory utilizes streamlined approaches and innovative ideas to meet its goals. It is dynamic, evolving, and structured into phases which are defined by utilizing the results of its preceding phase. Phase I utilizes "blanket" and "targeted" waivers as its catalyst for improvement. Phase II, which is dependent upon the results of Phase I, may include additional blanket waivers, waivers to a class of actions, or a waiver to all but the mandatory (e.g., statutorily based) requirements of the TAM.

4. **REINVENTION LABORATORY PARTICIPANTS.** Any contracting officer within a DOT Headquarters and/or Field procuring office that registers an acquisition idea as an experiment in accordance with this agreement can participate in the reinvention laboratory.

5. **DEVELOPING THE REINVENTION LABORATORY.** The reinvention laboratory was developed through the partnering efforts of the Office of Acquisition and Grant Management (OAGM) and Operating Administrations (OAs), and by a core team consisting of OAGM staff augmented by OA personnel and other support staff that act as an advisory body to the Procurement Management Council (PMC).

The PMC is responsible for the reinvention laboratory and is committed to the innovative, risk taking actions that the laboratory requires. The OAGM will manage the functions of the laboratory for the PMC. The core team, working under the guidance of the PMC:

- continually develops the evolutionary process the laboratory will take by defining and recommending the path of each phase to the PMC. Action(s) determined for a phase will be attached to this Partnering Agreement.
- researches sources (e.g., symposiums) for ideas.
- briefs the PMC as needed on future directions for the laboratory.
- determines methods to and assists in publicizing the laboratory.

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Attachment 1

PHASE I - DOT PROCUREMENT REINVENTION LABORATORY

Phase I of the DOT reinvention laboratory offers contracting officers the opportunity to try new, innovative ideas through the use of Transportation Acquisition Manual (TAM) "blanket" and "targeted" waivers, deviations, and/or innovative strategies. A waiver means a process/procedure that can be disregarded. To utilize waivers/deviations and to share innovative strategies, a brief registration form (see appendix A) is to be completed for the procurement for which the waiver/deviation and/or innovative strategy is being applied.

For the purposes of the reinvention laboratory, utilizing a waiver or an innovative strategy in the procurement process is an "experiment." It is through this experiment process that improvements to the acquisition process and DOT procurement policies and procedures will occur. The following describes the three distinct opportunities the DOT Procurement Reinvention Laboratory offers and the responsibilities assigned to implement Phase I.

I. OPPORTUNITIES PROVIDED BY THE DOT PROCUREMENT REINVENTION LABORATORY.

a. **INNOVATIVE STRATEGIES.** The reinvention laboratory provides the opportunity to try ideas that:

- have not been tried before or tried on a limited basis;
- may/may not be accomplished within current Federal Acquisition Regulation (FAR), Transportation Acquisition Regulation (TAR) and/or TAM requirements;
- may/may not require a waiver (see example below) or a deviation (see FAR/TAR/TAM 1.4 for definition of deviation); and
- are appropriate for sharing with other OAs to save time or reduce costs of supplies/services procured by DOT procuring offices.

Example: the process of conducting oral presentations in lieu of technical proposals is an innovative idea that should be shared with others but is within the parameters of the FAR, TAR, and TAM.

b. **BLANKET AND TARGETED WAIVERS.** For the purposes of this Phase I, the reinvention laboratory provides the opportunity to use waivers in the form of a "blanket" or a "targeted" waiver. Waivers can only be issued by the Senior Procurement Executive (SPE). As part of this Partnering Agreement, the SPE hereby agrees to:

- Grant "blanket" waivers to the TAM and attach a list of the granted waivers to this Partnering Agreement. These blanket waivers have already been approved/granted for use by all DOT contracting officers if they notify OAGM of its use by registering the waiver as an experiment in the DOT Procurement Reinvention Laboratory. This is accomplished by completing the registration found at appendix A. Not all waivers from the list need to be used. It is the contracting officer's decision

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as to which one(s) will apply to each procurement. See appendix B for the blanket waiver listing.

- Grant "targeted" waivers to specific TAM requirements on a case-by-case basis. Targeted waivers are waivers that are needed to perform an innovative strategy and are in addition to the "blanket" waivers already granted by the SPE. Procurement actions that utilize targeted waivers are to be registered in the DOT Procurement Reinvention Laboratory and the SPE's signature on the registration form constitutes the granting of any targeted waiver requested. Unless OAGM resources dictate otherwise, there is no Departmental limit on the number of procurement actions that can be submitted as experiments proposing targeted waiver(s). To ensure timely registration/commencement of experiments that may require targeted waivers, it is strongly recommended that prior assistance from OAGM be obtained before registering an experiment.

c. **DOT REINVENTION LABORATORY CLEARINGHOUSE.** The sharing of information is the cornerstone of the reinvention laboratory. It is the sharing of ideas that will help produce new, innovative strategies for streamlining the procurement process. OAGM will establish a DOT Procurement Reinvention Laboratory Clearinghouse that will contain the registration information for the experiments submitted and contain ideas/initiatives being tried by other government agencies. This clearinghouse of information will be disseminated and shared with offices both within and outside DOT.

II. **RESPONSIBILITIES.** The functions in this partnering effort include:

OAGM Responsibility

- Review TAR/TAM for mandatory (e.g., statutorily based) requirements
- Provide a list of "blanket" waivers to TAM
- Research other sources/areas for reinvention ideas
- Provide assistance to OAs in determining waivers or deviations needed to execute an experiment or to share alternative strategies
- Register experiments in the laboratory
- Establish a DOT Procurement Reinvention Laboratory Clearinghouse for sharing experiments and other reinvention ideas and disseminate information
- Discuss experiment's progress with initiator
- Explore/initiate waiver requests to external regulatory requirements (e.g., General Services Administrations (GSA)) as needed to accomplish an experiment
- Assist OAs in reviewing internal procurement procedures for purposes of elimination/incorporation into TAR/TAM
- Analyze results of experiments to determine needed action (e.g., changes to the FAR, TAR or TAM)

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- Brief PMC on reinvention laboratory activities

OA Responsibilities

- Develop and utilize "innovative strategies"
- To utilize any waiver granted, OA requirements (e.g., instructions, notices, directives, bulletins) relating to the waived area shall also be waived

Contracting Office Responsibilities

- Contracting officer shall register experiment in laboratory identifying waivers and deviations to be used in the experiment (see appendix A for registration information)
- Contracting officer *shall ensure experiments are legally sound and meet law, executive order, and regulation unless authority to deviate has been granted. A waiver or deviation does not operate to waive underlying law.* Registering an experiment signifies the fulfillment of this responsibility
- To utilize any waiver granted, local procuring office requirements (e.g., instructions, notices, directives, bulletins) relating to the waived area shall also be waived

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Appendix A

DOT PROCUREMENT REINVENTION LABORATORY PROCESS

The DOT Procurement Reinvention Laboratory process is as follows:

Pre-registration

- Contracting officer identifies potential innovative ideas and/or waivers to try
- Contracting officer may call OAGM who is available to discuss/brainstorm idea(s) to be tried or to learn more about the laboratory process. OAGM may assign a facilitator to assist the contracting officer in determining waivers/deviations required, to share information, etc. See appendix C for OAGM point of contact.
- When developing experiment and before submitting registration, contracting officer obtains legal review from servicing counsel, if necessary (see appendix C for the Office of the Secretary (OST) counsel who is available to consult with servicing counsel). Servicing counsel is the legal counsel supporting the contracting officer.

Registration

- Contracting officer completes "Registration of Reinvention Experiment"
- Contracting officer coordinates registration with applicable Headquarter office point of contact (see appendix C) prior to sending to OAGM
 - Submits registration by Fax ((202) 366-7510) or delivers/mails to:
Department of Transportation
Office of Acquisition and Grant Management, Room 9401
Reinvention Laboratory, 400 7th Street, S.W.
Washington, DC 20590
- SPE notifies initiator of receipt of registration, assigns a laboratory experiment number for future identification, and registers experiment within 3-5 workdays of receipt (3-5 workdays can be assured only if prior assistance from OAGM was obtained). Endorsement of the experiment by SPE automatically grants any waivers requested.

Experiment

- Contracting officer commences experiment
- Contracting officer coordinates interim and final activities information to applicable Headquarter's point of contact
 - Provides interim and final activity information by FAX, telephone, or delivers/mails to OAGM as soon as practicable after occurrence to ensure quick feedback to laboratory users
- OAGM takes appropriate action/makes changes due to experiment(s) results

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REGISTRATION OF REINVENTION EXPERIMENT

PART I-INITIAL ACTIVITIES (*complete when an experiment is to be initiated*)

A. Title:

B. Contact Information:

Name of Initiator:

OA:

Telephone/Fax No.: ()
CC:mail address:

C. Description:

D. Experiment Objective:

E. Blanket Waivers, proposed Targeted Waivers and/or deviations needed:

F. Measurement Method(s):

G. Expected experiment completion date:

Additional remarks: (*additional pages may be used if necessary*)

Experiment number _____ has been registered, experiment can commence.

_____ (SPE) _____ (DATE)

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REGISTRATION OF REINVENTION EXPERIMENT (Cont'd)

PART II - INTERIM ACTIVITIES (experiment no. _____) *(complete as progress is made, add to (do not delete) previous information reported)*

A. Clarification:

B. Status:

PART III - FINAL ACTIVITIES (experiment no. _____) *(complete directly after experiment has been tested and results are in)*

A. Results:

B. Lessons learned:

C. Recommendations:

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Instructions for completing the DOT "Registration of Reinvention Experiment"

PART I - INITIAL ACTIVITIES

A. **Title:** Provide a short title of the experiment to be included in the reinvention laboratory (e.g., "Source Selection Process--Verbal Presentations in Lieu of Technical Proposals").

B. **Contact Information:** "Name of Initiator" is the individual performing the experiment. Remaining information is self explanatory.

C. **Description:** Describe the procurement(s) for which the experiment will apply so that it is readily identifiable from other procurements and specify the planned approach(s) that will be tried. If the same waiver(s)/ deviation(s) will be used under more than one procurement, one registration form may be used if each of the procurements are clearly described and segregated.

D. **Experiment Objective:** Discuss the procurement-related problem that is to be overcome and the objective to be achieved.

E. **Blanket Waivers, proposed Targeted Waivers and/or deviations needed:** From the list of blanket waivers (see appendix B), identify the specific blanket waiver(s) to be utilized in the experiment. Also, identify any proposed targeted waivers and/or deviations to be used. Waivers/deviations are to be identified by TAM cite and the specific requirement to be waived. For an innovative strategy that does not require a waiver or a deviation, enter "N/A". (See FAR for deviation definition.)

F. **Measurement Method(s):** Identify how the experiment will be measured to determine if the objective was achieved. For example, if experience indicates an award of a comparable 8(a) procurement has taken 8 months but the experiment is expected to enable a 6 month award, enter "6 month award time vice the historically experienced 8 months." The measurement method should be specific. Avoid general statements such as "decrease time to award."

G. **Expected experiment completion date:** Enter the date the experiment is expected to be completed.

After receipt of registration, an experiment number will be assigned by OAGM and the registration signed and dated by the SPE representing receipt and endorsement of the experiment.

PART II - INTERIM ACTIVITIES (enter experiment no. assigned by SPE in Phase I)

A. **Clarification:** Clarify, as necessary, the process/procedure being used in the experiment beyond that described in Part I.

B. **Status:** Enter stage of experiment and/or the experiment's progress.

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Instructions for completing the DOT "Registration of Reinvention Experiment" (Cont'd)

PART III - FINAL ACTIVITIES (enter experiment no. assigned by SPE in Phase I)

- A. **Results:** Discuss if the procurement-related problem can be overcome and if the objective(s) was met and, if not, why not.
- B. **Lessons Learned:** Discuss lessons learned from experiment and anything that should be done differently.
- C. **Recommendations:** Provide recommendations for acquisition system improvements (e.g., FAR/TAR/TAM).

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Appendix B

BLANKET WAIVERS GRANTED BY THE SPE

Waivers to the following TAM requirements have been granted but are not available for use unless they are identified on the brief registration form found at appendix A and submitted to OAGM.* By registering the use of the waiver, the contracting officer can disregard the requirement for individual procurements (vice a class of actions) along with corresponding OA requirements. Not all of the following waivers need to be used. It is the contracting officer's decision as to which one(s) will apply to a particular procurement. *Higher level requirements such as the FAR and TAR still apply.*

<u>TAM CITE</u>	<u>TAM REQUIREMENT</u>
1. <u>1203.104-5</u> <u>(d)(2)(ii)A).</u>	Requires, for procurement requests (PRs) of less than \$100,000, that the signature on the PR of the head of the requiring office constitutes an attestation that all employees who have performed as procurement officials have executed a Procurement Integrity Certification.
NOTE:	
2. <u>1204.203(a).</u>	By granting this waiver, the OA must have another process that assures certificate completion as required by statute.
3. <u>1204.203(b).</u>	Requires the completed FAR provision on Taxpayer Identification Number (TIN) to be attached to the front of the finance office copy of the contract.
4. <u>1204.7003(a),</u> <u>(b), and</u> <u>(c).</u>	If the TIN is obtained by means other than the FAR TIN provision, the TIN and contractor's corporate status must be annotated on the front page of the finance office copy of the contract or in accordance with OA procedures.
5. <u>1204.7004.</u>	Requires different levels of approval for solicitation, contracts, contract modifications, and pre/post negotiation memoranda.
6. <u>1206.102(b).</u>	Stipulates that the contract file must be documented to reflect the reviews as required by 1204.7003, the approvals, and the resolution of any comments.
	Contracting officer must document the file when only one response to a RFP is received. Prior to award, the contracting officer must also attempt to ascertain why only one response was received and document the file.

*If the same waiver(s)/deviation(s) will be used under more than one procurement, one registration form may be used. See Part I, paragraph C of the registration form for instructions.

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TAM CITE

TAM REQUIREMENT

7. 1214.407-2.

Requires written contracting officer determination that the prospective contractor is responsible and the offered price is reasonable. Include determination in contract file.

8. 1215, App. A,
1215.612-70
(c)(3)(ii).

Prohibits the specific weights assigned to the evaluation criteria from being disclosed in the RFP.

9. 1215.807(b).

NOTE:

The PM must be signed by the contracting officer and approved at a level commensurate with the value and complexity of the acquisition.

10.
1215.807(c)(1).

This waiver applies to the requirement for approval at a level commensurate with the value and complexity of the procurement; however, contracting officer signature on a PM is required.

11.
1215.807(c)(2).

Requires a standard PM format for acquisitions over \$100,000.

12.
1215.808(a)(1).

Provides the minimum content requirements for prenegotiation memorandums (PMs) of \$100,000 or less and permits the PM to be delayed and combined with the price negotiation memorandum (PNM). A standard format and the minimum requirements for the combined PM/PNM are provided.

13. 1215.808(b).

Requires a standard PNM for acquisitions over \$100,000.

NOTE:

OAs must establish procedures for review of PNMs, requires PNMs to be signed by the contracting officer and approved at a level commensurate with the value\complexity of the acquisition.

14. 1215.808(d).

This waiver applies to the requirement for approval at a level commensurate with the value and complexity of the procurement; however, contracting officer signature on a PNM is required.

15. 1217.504(c).

Requires a streamlined PNM when price analysis is used and nothing has changed from the prenegotiation memorandum.

When the Economy Act is used as the authority for an interagency acquisition, the requiring office shall send with the PR, the reasons why it is more economical to obtain the requirement through an interagency agreement in lieu of a contract.

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TAM CITE

TAM REQUIREMENT

16. 1232.7002(a) . Permits the contracting officer's technical representatives (COTRs) to approve invoices under firm fixed price contracts, but prohibits COTRs from approving vouchers under cost-reimbursement (CR) type contracts.
- NOTE: Allowing COTRs to approve vouchers under CR contracts requires proper training of COTRs to prevent improper withholdings, overpayments, etc. Contracting officers should ensure COTRs are properly trained before allowing them to process payments.
17. 1232.7003(a) . Requires the contracting officer and the person given authority to approve invoices to establish a record of payment for each contract.
18. 1242.7004(b) and (c) . Requires a letter of designation to the individual who will be assigned as COTR under a contract. Also requires that the contractor be notified of this designation.
19. 1244.102(b) . When consent to subcontract is waived, the file must be documented with the facts and rationale for the waiver.

NOTE: OAGM is interested in all ideas for waivers regardless of where the requirement originates (e.g., FAR, FIRM, TAR). Please provide any waiver suggestions (with the cite and the specific requirement to be waived) as well as a brief rationale for the each suggestion to the following address for OAGM quarterly review:

Department of Transportation
Office of Acquisition and Grant Management, Room 9401
Reinvention Laboratory
400 7th Street, S.W.
Washington, DC 20590

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Appendix C DOT PROCUREMENT REINVENTION LABORATORY POINTS OF CONTACT

I. OA Headquarter's Office

<u>Name/Address</u>	<u>Phone</u>	<u>FAX</u>
FAA -Management Plans and Evaluation Div. (ASU 130), ATTN: Dorothy Sirk 800 Independence Ave., S.W., Room 439 Washington, DC 20591	(202) 267-7895	(202) 267-8401
FHWA -Office of Acquisition Management (HAM-20) ATTN: Charles McLaughlin 400 7th St., S.W., Room 4410 Washington, DC 20590	(202) 366-4232	(202) 366-3705
FRA -Office of Acquisition and Grants Services (RAD-30) ATTN: Robert Carpenter 400 7th St., S.W., Room 8222 Washington, DC 20590	(202) 366-0564	(202) 366-3055
FTA -Office of Procurement (TAD-40), ATTN: Annette Jamison 400 7th St., S.W., Room 7405 Washington, DC 20590	(202) 366-4980	(202) 366-3808
MARAD -Office of Acquisition (MAR-380) ATTN: Reginald Lovelace 400 7th St., S.W., Room 7310 Washington, DC 20590	(202) 366-2654	(202) 366-3889
NHTSA -Director, Office of Contracts and Procurement (NAD-3), ATTN: Linda Boor 400 7th St., S.W., Room 5301 Washington, DC 20590	(202) 366-0607	(202) 366-9555
RSPA -Office of Contracts and Procurement, ATTN: Keith O'Neill 400 7th St., S.W., Room 8321 Washington, DC 20590	(202) 366-5180	(202) 366-7974
USCG -Rich Freethey, Commandant (G-CPM), Chief of Procurement Management Div., Room 5119, 2100 2nd St. S.W., Washington, DC 20593	(202) 267-1142	(202) 267-4011

Electronic mail may also be used.

II. OAGM: Mr. Jim Hawkins, M-61, (202) 366-6688, FAX (202) 366-7510

III. OST legal: Mr. Terence Carlson, C-10, (202) 366-9161

